

**TO: FINANCE COMMITTEE
& EXECUTIVE COMMITTEE**

DATE: April 26, 2004

FROM: WIB STAFF

For Action

For Information

For Discussion

SUBJECT: Fundraising

PROPOSED MOTION(S): None

DISCUSSION: At the Workforce Investment Board meeting on March 11, 2004, there was considerable discussion regarding fundraising and what can and cannot be done by the WIB and its committees. The following is to clarify the rules and regulations pertaining to fundraising.

The restrictions below refer only to the use of federal funds, which includes the time of staff paid by federal funds. OMB Circular A-87 does not, however, restrict the activities of the Workforce Investment Board or its non-federally funded members.

OMB Circular A-87, Cost Principles for State and Local Governments, addresses only what can and cannot be done with Federal Funds. It states:

21. Fund raising and investment management costs.

a. Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable, regardless of the purpose for which the funds will be used.

b. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable. However, such costs associated with investments covering pension, self-insurance, or other funds which include Federal participation allowed by this Circular are allowable.

c. Fund raising and investment activities shall be allocated an appropriate share of indirect costs under the conditions described in subsection C.3.b. of Attachment A.

ATTACHMENT(S): None